

DEPARTMENT OF HAWAIIAN HOME LANDS Department Summary

Mission Statement

To manage the Hawaiian Home Lands Trust effectively and to develop and deliver Hawaiian home lands to native Hawaiians.

Department Goals

To effectively manage the Hawaiian Home Lands Trust (HHLT) lands, water, and related resources; to develop and deliver lands for award to beneficiaries on an on-going basis; to develop and deliver program services that meet the housing needs of native Hawaiians; to effectively manage the HHLT financial resources; to effectively manage the department's human resources and to establish better relationships with the native Hawaiian community, governmental agencies, homestead communities, and the community at large.

| Significant Measures of Effectiveness | FY 2010 | FY 2011 |
|--|---------|---------|
| 1. # new residential homesteads awarded as % of planned homesteads | 100% | 100% |
| 2. # direct residential loans granted as % of loans planned | 100% | 100% |
| 3. # of homes constructed as % planned for construction | 100% | 100% |

FB 2009-2011 Operating Budget by Major Program Area



Social Services, \$29,372,340, 100%



Social Services, \$29,372,340, 100%

DEPARTMENT OF HAWAIIAN HOME LANDS MAJOR FUNCTIONS

- Identifying and assessing the needs of beneficiaries of the Hawaiian Homes Commission Act (HCCA) through research and planning; compiling data needed for the development and utilization of Hawaiian home lands and other physical resources of the Hawaiian Homes Trust; identifying Hawaiian home lands by physical characteristics, lands use, and planned use of the lands; and developing and updating regional master plans for designated areas.
- Developing, marketing, disposing of, and managing Hawaiian home lands not immediately needed or not suitable for homestead purposes by issuing general leases, revocable permits, licenses, and rights-of-entry to generate income to finance homestead lot development activities.

- Developing Hawaiian home lands for homesteading and income-producing purposes by designing and constructing off-site and on-site improvements.
- Developing waiting lists of applicants for homestead leases; awarding homestead leases; providing loans for home building, repair, and replacement and for development of farms and ranches; managing homestead areas on the islands of Oahu, Hawaii, Maui, Molokai, Kauai and Lanai; and providing for the maintenance, repair, and operation of water systems, roads, and facilities.

MAJOR PROGRAM AREAS

The Department of Hawaiian Home Lands has a program in the following major program area:

Social Services

HHL 602 Planning and Development for Hawaiian

Homesteads

HHL 625 Management and General Support for Hawaiian

Homesteads

Department of Hawaiian Home Lands (Operating Budget)

| | | Allocation | | |
|---------------------------|---|------------|------------|------------|
| | · · · · · · · · · · · · · · · · · · · | FY 2009 | FY 2010 | FY 2011 |
| Funding Sources: | Positions | 18.00 | 0.00 | 0.00 |
| General Funds | \$ | 928,778 | 0 | 0 |
| | | 100.00 | 118.00 | 118.00 |
| Special Funds | | 10,983,572 | 13,269,792 | 13,269,792 |
| Federal Funds | | 9,601,391 | 9,601,391 | 9,601,391 |
| | | 77.00 | 77.00 | 77.00 |
| Trust Funds | *************************************** | 6,424,496 | 6,501,157 | 6,501,157 |
| | | 195.00 | 195.00 | 195.00 |
| Total Requirements | | 27,938,237 | 29,372,340 | 29,372,340 |

Major Adjustments in the Executive Budget Request: (general funds unless noted)

- 1. Deletes 18.00 permanent position counts and \$972,177 to reflect a change in the means of financing from general to special funds; increases the special fund by 18.00 permanent position counts and \$1,307,862.
- 2. Adds \$620,000 in special funds for debt service principal payments.

PROGRAM ID:

PROGRAM STRUCTURE NO.

PROGRAM TITLE:

DEPARTMENT OF HAWAIIAN HOME LANDS

| - | | IN DOLLA | RS | IN THOUSANDS | | | | | |
|---|------------|------------|------------|--------------|-----------|-----------|---------------|-----------|--|
| PROGRAM EXPENDITURES | FY2007-08 | FY2008-09 | FY2009-10 | FÝ2010-11 | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 | |
| | • | | | | | | | | |
| CURRENT LEASE PAYMENTS OTHER CURRENT EXPENSES | | 1,100,000 | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 | |
| TOTAL CURRENT LEASE PAYMENTS C | | 1,100,000 | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 | |
| BY MEANS OF FINANCING | | | | 1 | | | | | |
| SPECIAL FUND | | 1,100,000 | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 | |
| | | | | | | | | | |
| OPERATING COST | 195.00* | 195.00* | 195.00* | 195.00* | 195.0* | 195.0* | 195.0* | 195.0 | |
| PERSONAL SERVICES | 10,971,960 | 13,407,669 | 14,946,240 | 14,946,240 | 14,947 | 14,947 | 14,947 | 14,947 | |
| OTHER CURRENT EXPENSES | 12,346,198 | 12,806,254 | 12,706,100 | 12,706,100 | 12,706 | 12,706 | 12,706 | 12,706 | |
| TOTAL OPERATING COST | 23,318,158 | 26,213,923 | 27,652,340 | 27,652,340 | 27,653 | 27,653 | 27,653 | 27,653 | |
| | | | | | | | | | |
| BY MEANS OF FINANCING | | | | | | | | | |
| | 18.00* | 18.00* | * | * | * | * | * | | |
| GENERAL FUND | 1,169,174 | 883,699 | | | | | | | |
| | 100.00* | 100.00* | 118.00* | 118.00* | 118.0* | 118.0* | 118.0* | 118.0 | |
| SPECIAL FUND | 9,417,240 | 9,569,908 | 11,549,792 | 11,549,792 | 11,550 | 11,550 | 11,550 | 11,550 | |
| OTHER FED. FUNDS | 7,144,232 | 9,600,545 | 9,601,391 | 9,601,391 | 9,601 | 9,601 | 9,601 | 9,601 | |
| | 77.00* | 77.00* | 77.00* | 77.00* | 77.0* | 77.0* | 77.0 * | 77.0 | |
| TRUST FUNDS | 5,587,512 | 6,159,771 | 6,501,157 | 6,501,157 | 6,502 | 6,502 | 6,502 | 6,502 | |
| CAPITAL IMPROVEMENT COSTS | | | | | | | | | |
| PLANS | 2,000 | 1,000 | 1,000 | 1,000 | 1 | 1 | 1 | 1 | |
| LAND ACQUISITION | 1,000 | | | | | | | | |
| DESIGN | 3,000 | 1,000 | 301,000 | 501,000 | 1 | . 1 | . 1 | 1 | |
| CONSTRUCTION | 2,868,000 | 39,998,000 | 83,198,000 | 15,998,000 | 14,998 | 14,998 | 14,998 | 14,998 | |
| EQUIPMENT | 1,000 | | 200,000 | 800,000 | | | | | |
| TOTAL CAPITAL EXPENDITURES | 2,875,000 | 40,000,000 | 83,700,000 | 17,300,000 | 15,000 | 15,000 | 15,000 | 15,000 | |
| BY MEANS OF STANAMENTS | | | | | | | | | |
| BY MEANS OF FINANCING | 0.075.000 | | 0.700.000 | | | | | | |
| G.O. BONDS | 2,875,000 | (0.000.000 | 8,700,000 | 2,300,000 | | | | | |
| REVENUE BONDS | | 40,000,000 | 60,000,000 | 15 000 000 | 45 005 | 45.000 | | | |
| OTHER FED. FUNDS | | | 15,000,000 | 15,000,000 | 15,000 | 15,000 | 15,000 | 15,000 | |

REPORT P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO.

PROGRAM TITLE:

DEPARTMENT OF HAWAIIAN HOME LANDS

| | | IN THOUSANDS | | | | | | |
|----------------------|------------|--------------|-------------|------------|-----------|-----------|-----------|-----------|
| PROGRAM EXPENDITURES | FY2007-08 | FY2008-09 | FY2009-10 | FY2010-11 | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 |
| | | | | | | | | |
| | | | | | | | | |
| TOTAL POSITIONS | 195.00* | 195.00* | 195.00* | 195.00* | 195.00* | 195.00* | 195.00* | 195.00* |
| TOTAL PROGRAM COST | 26,193,158 | 67,313,923 | 113,072,340 | 46,672,340 | 44,373 | 44,373 | 44,373 | 44,373 |
| | | | | ! | | | | |

Department of Hawaiian Home Lands (Capital Improvements Budget)

| | FY 2010 | FY 2011 |
|--------------------------|------------|------------|
| Funding Sources: | | |
| General Obligation Bonds | 8,700,000 | 2,300,000 |
| Federal Funds | 15,000,000 | 15,000,000 |
| Total Requirements | 23,700,000 | 17,300,000 |

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

- 1. Provides a federal fund ceiling of \$15,000,000 in FY 10 and 11 for the Native American Housing Assistance and Self-Determination Act (NAHASDA), Development Projects, Statewide.
- 2. Provides \$2,500,000 in general obligation bond funds in FY 10 and \$2,300,000 in FY 11 for Water Source Development for State Housing Projects in the Villages of Leialii, Maui.
- 3. Provides \$6,200,000 in general obligation bond funds in FY 10 for Water System Improvements, Lalamilo, Waimea, Hawaii.

PROGRAM ID

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

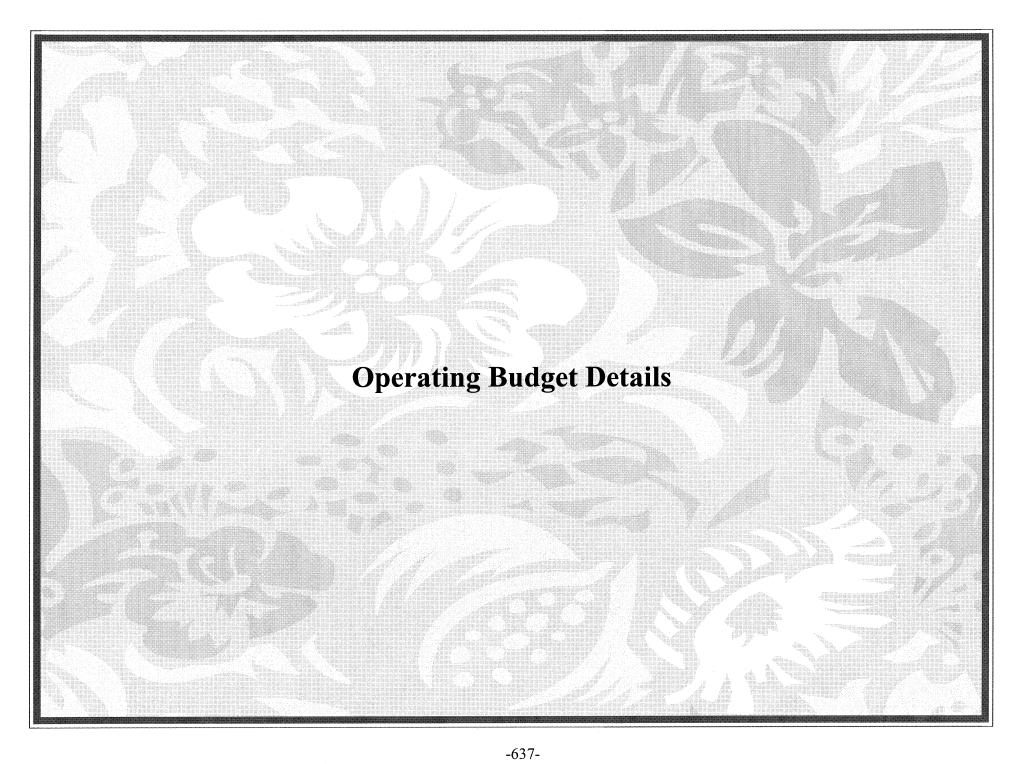
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PROGRAM STRUCTURE NO.

PROGRAM TITLE

DEPARTMENT OF HAWAIIAN HOME LANDS

| | PRIORITY NUMBER | LOC SCOPE | PROJECT TITLE | | | | BUDGET PERIOD | | | | | | |
|--|-----------------|---|------------------------------|-------------------|-------------|----------------|----------------------|----------------------|-------------|-------------|-------------|-------------|------------------|
| | | COST ELEMENT/MOF | PROJECT TOTAL | PRIOR YRS | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | SUCCEED YEARS |
| | | PLANS LAND | 12 1 | 2 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | | DESIGN CONSTRUCTION EQUIPMENT | 939 219,772 1,001 | 127 4,669 1 | 2 372 | 3 100,545 | 301 23,198 200 | 501 15,998 800 | 1 14,998 | 1 14,998 | 1 14,998 | 1 14,998 | 1 14,998 |
| | | TOTAL | 221,725 | 4,800 | 375 | 100,550 | 23,700 | 17,300 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| | | G.O. BONDS OTHER FED. FUN REVENUE BONDS | 16,725 105,000 100,000 | 4,800 | 375 | 550 100,000 | 8,700 15,000 | 2,300 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |



PROGRAM ID:

PROGRAM STRUCTURE NO. 06

PROGRAM TITLE:

SOCIAL SERVICES

| | | IN DOLLA | RS | | IN THOUS | ANDS | | |
|---|--------------------|------------|-----------------------|--|-----------|-----------|-----------|-----------|
| PROGRAM EXPENDITURES | FY2007-08 | FY2008-09 | FY2009-10 | FY2010-11 | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 |
| | | | | | | | | |
| CURRENT LEASE PAYMENTS OTHER CURRENT EXPENSES | | 1,100,000 | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| TOTAL CURRENT LEASE PAYMENTS C | | 1,100,000 | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| | | | | · | | | | |
| BY MEANS OF FINANCING SPECIAL FUND | | 1,100,000 | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| | | | | | • | | | |
| OPERATING COST | 195.00* | 195.00* | 195.00* | 195.00* | 195.0* | 195.0* | 195.0* | 195.0 |
| PERSONAL SERVICES | 10,971,960 | 13,407,669 | 14,946,240 | 14,946,240 | 14,947 | 14,947 | 14,947 | 14,947 |
| OTHER CURRENT EXPENSES | 12,346,198 | 12,806,254 | 12,706,100 | 12,706,100 | 12,706 | 12,706 | 12,706 | 12,706 |
| TOTAL OPERATING COST | 23,318,158 | 26,213,923 | 27,652,340 | 27,652,340 | 27,653 | 27,653 | 27,653 | 27,653 |
| | | | | • • • • • • • • • • • • • • • • • • • | | | | |
| BY MEANS OF FINANCING | 18.00* | 18.00* | * | | * | | | |
| GENERAL FUND | 1,169,174 | 883,699 | * | * | * | * | * | 7 |
| | 100.00* | 100.00* | 118.00* | 118.00* | 118.0* | 118.0* | 118.0* | 118.0 |
| SPECIAL FUND | 9,417,240 | 9,569,908 | 11,549,792 | 11,549,792 | 11,550 | 11,550 | 11,550 | 11,550 |
| OTHER FED. FUNDS | 7,144,232 | 9,600,545 | 9,601,391 | 9,601,391 | 9,601 | 9,601 | 9,601 | 9,601 |
| | 77.00* | 77.00* | 77.00* | 77.00* | 77.0* | 77.0* | 77.0* | 77.0* |
| TRUST FUNDS | 5,587,512 | 6,159,771 | 6,501,157 | 6,501,157 | 6,502 | 6,502 | 6,502 | 6,502 |
| CAPITAL IMPROVEMENT COSTS | | | | | | | | |
| PLANS | 2,000 | 1,000 | 1,000 | 1,000 | 1 | 1 | 1 | 1 |
| LAND ACQUISITION | 1,000 | | | | | | | |
| DESIGN | 3,000 | 1,000 | 301,000 | 501,000 | 1 | 1 | 1 | 1 |
| CONSTRUCTION EQUIPMENT | 2,868,000 1,000 | 39,998,000 | 83,198,000 200,000 | 15,998,000 800,000 | 14,998 | 14,998 | 14,998 | 14,998 |
| TOTAL CAPITAL EXPENDITURES | 2,875,000 | 40,000,000 | 83,700,000 | 17,300,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| | | | | ************************************** | | | | |
| BY MEANS OF FINANCING | | | | 1 | | | | |
| G.O. BONDS | 2,875,000 | | 8,700,000 | 2,300,000 | | | | |
| REVENUE BONDS | | 40,000,000 | 60,000,000 | | | | | |
| OTHER FED. FUNDS | | | 15,000,000 | 15,000,000 | 15,000 | 15,000 | 15,000 | 15,000 |

REPORT P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO. 06

PROGRAM TITLE:

SOCIAL SERVICES

| | | IN DOLL | _ARS | | IN THOUSANDS | | | | | |
|----------------------|------------|------------|-------------|------------|--------------|-----------|-----------|-----------|--|--|
| PROGRAM EXPENDITURES | FY2007-08 | FY2008-09 | FY2009-10 | FY2010-11 | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| TOTAL POSITIONS | 195.00* | 195.00* | 195.00* | 195.00* | 195.00* | 195.00* | 195.00* | 195.00* | | |
| TOTAL PROGRAM COST | 26,193,158 | 67,313,923 | 113,072,340 | 46,672,340 | 44,373 | 44,373 | 44,373 | 44,373 | | |
| | | | | | | ========= | | | | |

PROGRAM ID:

HHL602

PROGRAM STRUCTURE NO. 060301

PROGRAM TITLE:

PLANNING & DEV FOR HAWAIIAN HOMESTEADS

| | | IN DOLLA | 7K2 | : | | IN THOUS | ANDS | |
|--|------------|------------|-------------|------------|-----------|-----------|-----------|-----------|
| PROGRAM EXPENDITURES | FY2007-08 | FY2008-09 | FY2009-10 | FY2010-11 | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 |
| OPERATING COST | 131.00* | 131.00* | 131.00* | 131.00* | 131.0* | 131.0* | 131.0* | 131.0 |
| PERSONAL SERVICES | 8,817,334 | 8,402,906 | 9,441,867 | 9,441,867 | 9,442 | 9,442 | 9,442 | 9,442 |
| OTHER CURRENT EXPENSES | 8,533,362 | 10,580,872 | 10,481,718 | 10,481,718 | 10,482 | 10,482 | 10,482 | 10,482 |
| TOTAL OPERATING COST | 17,350,696 | 18,983,778 | 19,923,585 | 19,923,585 | 19,924 | 19,924 | 19,924 | 19,924 |
| | | | | | | | | |
| BY MEANS OF FINANCING | | | | 1 | | | | |
| | 14.00* | 14.00* | * | * | * | * - | * | * |
| GENERAL FUND | 679,070 | 679,274 | | 1 | | | | |
| | 66.00* | 66.00* | 80.00* | 80.00* | 80.0* | 80.0* | 80.0* | 80.0* |
| SPECIAL FUND | 5,649,008 | 5,063,477 | 6,501,639 | 6,501,639 | 6,502 | 6,502 | 6,502 | 6,502 |
| OTHER FED. FUNDS | 7,144,232 | 9,600,545 | 9,601,391 | 9,601,391 | 9,601 | 9,601 | 9,601 | 9,601 |
| | 51.00* | 51.00* | 51.00* | 51.00* | 51.0* | 51.0* | 51.0* | 51.0* |
| TRUST FUNDS | 3,878,386 | 3,640,482 | 3,820,555 | 3,820,555 | 3,821 | 3,821 | 3,821 | 3,821 |
| | | | | | | | | |
| CAPITAL IMPROVEMENT COSTS | | | | | | | | |
| PLANS | 2,000 | 1,000 | 1,000 | 1,000 | 1 | 1 | 1 | 1 |
| LAND ACQUISITION | 1,000 | | | | | | | |
| DESIGN | 3,000 | 1,000 | 301,000 | 501,000 | 1 | 1 | 1 | 1 |
| CONSTRUCTION | 2,868,000 | 39,998,000 | 83,198,000 | 15,998,000 | 14,998 | 14,998 | 14,998 | 14,998 |
| EQUIPMENT | 1,000 | | 200,000 | 800,000 | | | | • |
| TOTAL CAPITAL EXPENDITURES | 2,875,000 | 40,000,000 | 83,700,000 | 17,300,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| r Tananan araba | | | | | | | | |
| BY MEANS OF FINANCING | | | | | | | | |
| G.O. BONDS | 2,875,000 | | 8,700,000 | 2,300,000 | | | | |
| REVENUE BONDS | 2,0.5,000 | 40,000,000 | 60,000,000 | 2,300,000 | | | | |
| OTHER FED. FUNDS | | 40,000,000 | 15,000,000 | 15,000,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| | | | | | - • | , | , | , |
| TOTAL POSITIONS | 131.00* | 131.00* | 131.00* | 131.00* | 131.00* | 131.00* | 131.00* | 131.00* |
| TOTAL PROGRAM COST | 20,225,696 | 58,983,778 | 103,623,585 | 37,223,585 | 34,924 | 34,924 | 34,924 | 34,924 |

PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID:
PROGRAM STRUCTURE:
PROGRAM TITLE:

HHL602
060301
PLANNING AND DEVELOPMENT FOR HAWAIIAN HOMESTEADS

| | FY 2007-08 | FY 2008-09 | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| MEASURES OF EFFECTIVENESS 1. # NEW RES HOMESTEADS AWARDED AS % PLND HOMESTDS | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| NO. OF RESIDENTL LOANS GRANTED AS % LOANS PLANNED NO. DELINQNT LOANS AS % OF TOTAL OUTSTANDING LOANS NO. DELINGNI LOANS AS % OF TOTAL OUTSTANDING LOANS | 100 22 | 100 21 | 100 20 | 100 19 | 100 18 | 100 17 | 100 16 | 100 15 |
| 4. NO. NEW GEN LEASES AWARDED AS % PLANNED FOR AWARD 5. NO. HOMES CONSTRUCTD ON HWN HOME LNDS AS % PLANNED 6. NO. OF FHA LOANS GRANTED AS % OF FHA LOANS PLANNED | 0 100 100 | 0 100 100 | 100 100 | 0 100 100 | 0 100 100 | 0 100 100 | 100 100 | 0 100 100 |
| 7. NO. NEW RES HOMESTDS AWARDED AS % ON WAITING LIST | 1.04 | 1.01 | 0.98 | 0.95 | 0.92 | 0.89 | 0.85 | 0.82 |
| PROGRAM TARGET GROUPS 1. NUMBER OF NEW HOMESTEAD LOTS PLANNED FOR AWARD | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 210 |
| NUMBER OF NEW HOMES PLANNED FOR CONSTRUCTION NUMBER OF RESIDENTIAL LOANS PLANNED | 210 83 |
| 4. NUMBER OF FHA LOANS PLANNED 5. NUMBER OF NEW GENERAL LEASES PLANNED FOR AWARD 6. NUMBER OF APPLICANTS ON RESIDENTIAL WAITING LIST | 396 0 20245 | 396 0 20852 | 396 0 21477 | 396 0 22122 | 396 0 22786 | 396 0 | 396 0 | 396 0 23950 |
| PROGRAM ACTIVITIES | 20243 | 20032 | 214// | 22122 | 22700 | 23470 | 23709 | 23950 |
| NUMBER OF RESIDENTIAL LOANS GRANTED NUMBER OF FHA LOANS GRANTED | 83 396 |
| NUMBER OF NEW HOMESTEAD LOTS AWARDED NUMBER OF LOANS DELINQUENT | 210 440 | 210 430 | 210 420 | 210 410 | 210 400 | 210 390 | 210 380 | 210 370 |
| NUMBER OF NEW GENERAL LEASES AWARDED NUMBER OF NEW HOMES CONSTRUCTED | 0 2 <u>1</u> 0 | 0 2 <u>10</u> |
| 7. NUMBER OF LOTS REAWARDED 8. NUMBER OF LOTS SURRENDERED 9. NUMBER OF OUTSTANDING LOANS | 51 51 3999 | 51 51 4078 | 51 51 4160 | 51 51 4243 | 51 51 4328 | 51 51 4415 | 51 51 4460 | 51 51 4505 |
| | 3333 | 4070 | 4,100 | 4243 | 4320 | 4413 | 4400 | 4505 |
| PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) REVENUES FROM THE USE OF MONEY AND PROPERTY | _ 111 | 300 | 300 | 300 | 300 | 300 | 300 | 300 |
| REVENUE FROM OTHER AGENCIES: FEDERAL TOTAL PROGRAM REVENUES | 7,573 7,684 | 6,000 6,300 |
| PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) SPECIAL FUNDS | 7.684 | 6,300 | 6.300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 |
| TOTAL PROGRAM REVENUES | 7,684 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 |

A. Statement of Program Objectives

To develop and manage the designated Hawaiian Home Lands to create more homesteads for native Hawaiians (as defined by the Hawaiian Homes Commission Act, 1920, as amended) and generate the revenues needed to administer the program. Through the use of these revenues, leased lands, loan funds and technical assistance will be provided to native Hawaiians.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The Department did not propose any new programs.

C. <u>Description of Activities Performed</u>

Major activities include: identifying and assessing the needs of beneficiaries of the Hawaiian Homes Commission Act (HHCA) through research and planning; compiling data needed for the development and utilization of Hawaiian home lands and other physical resources of the Hawaiian Homes Trust; identifying Hawaiian home lands by physical characteristics, land uses, and planned use of the lands; and developing and updating regional master plans for designated areas;

Developing Hawaiian home lands for homesteading and income-producing purposes by designing and constructing off-site and on-site improvements of subdivisions;

Developing waiting lists of applicants for homestead leases; awarding homestead leases; providing loans for home building, repair and replacement and for development of farms and ranches; managing homestead areas on the islands of Oahu, Hawaii, Maui, Molokai and Kauai; and providing for maintenance, repair, and operation of water systems, roads and facilities;

Developing, marketing, disposing of and managing Hawaiian home lands not immediately needed or not suitable for homestead purposes by issuing general leases,

revocable permits, licenses, and rights-of-entry to generate income to finance homestead lot development activities.

D. Statement of Key Policies Pursued

Planning and implementation of program activities are focused on the following:

- 1. Development and delivery of land for award to beneficiaries on an on-going basis.
- Development and delivery of programs and services that meet the housing need of native Hawaiians.

E. <u>Identification of Important Program Relationships</u>

The United States has oversight responsibility to ensure the HHCA is properly administered. The U.S. Department of the Interior serves as the lead agency in DHHL's interactions with the Federal Government.

DHHL maintains working relationships with Federal, State and County agencies involved in land use, land development, water resources development and utilization, housing, agricultural development and financial assistance. Federal agencies include the U.S. Department of Housing and Urban Development, Federal Housing Administration, and U.S. Department of Agriculture. State Agencies include the Department of Transportation, the University of Hawaii Extension Service, Department of Health, and Office of the State Planning, Housing and Community Development Corporation of Hawaii. DHHL works closely with all four County governments.

DHHL maintains working relationships with other public and private organizations serving native Hawaiians, including, but not limited to, the Office of Hawaiian Affairs, Alu Like, Inc., Bishop Estate and Kamehameha Schools, the Liliuokalani Trust and various Hawaiian homestead community associations.

F. Description of Major External Trends Affecting the Program

- 1. In the 80 years since the Hawaiian Homes Commission Act was enacted, only a relatively small proportion of native Hawaiians have been put on the land. The major obstacles have been first, the kind of lands set aside for the homesteading program, much of which are marginal lands in remote areas that are costly to develop, and secondly, the lack of sufficient funding for infrastructure development.
- 2. With the transfer of 17,478 acres of new lands into DHHL's land inventory and the passage of the Hawaiian Home Lands Settlement Act, there is a pressing need to develop infrastructure and homes for new homestead areas to enable new lessees to reside on the land. In 1984 The Department of Hawaiian Home Lands (DHHL) undertook a major initiative to accelerate the distribution of homestead leases. During a three-year period, over 2,500 new lots were leased to native Hawaiians, including 2,000 unimproved lots. Much of the department's efforts in recent years have been focused in providing infrastructure for these raw land distributions.

DHHL is cognizant that accelerating its homesteading construction program at a time when the federal, state and county governments are facing severe financial shortages requires innovative ways to provide affordable housing.

DHHL estimates that more than \$2 billion is needed to address the housing needs of the 19,647 residential applicants on the waiting list. To achieve its capital goals, the department has pursued leveraging its resources though joint ventures with other organizations servicing native Hawaiians and supporting and fostering community partnerships through programs such as the self-help housing program.

A beneficiary survey conducted in 1995 created an index of financial readiness to move to homestead land. It became apparent that there existed a large group of applicants who don't financially qualify for homeownership. Rental and rent-to-own housing, coupled with federal tax incentive and housing programs, provide a viable option in addressing applicants' housing needs and will allow native Hawaiian families to transition from being renters in to homeowners.

The lack of funding at sufficient levels requires the Department to consider alternatives such as having beneficiaries share in the cost of developing homestead lots and the use of developer agreements to build affordable housing for beneficiaries.

The American Homeownership and Economic Opportunity Act of 2000, Public Law 106-569, will enable subsidized affordable housing programs targeted to those Native Hawaiian families demonstrating the greatest need. One-half of homestead applicants fell below the 80 percent median family income level, an indicator of the need for federal intervention and support.

G. Discussion of Cost, Effectiveness, and Program Size Data

The cost of developing a residential homestead lot ranges between \$100,000 to \$150,000 per lot, depending on lot size and off-site improvements. For Fiscal Year 2008, approximately \$9.105 million in operating costs were expended to serve 33,801 clients (9,539 lessees and 24,262 applicants), averaging \$310 per client. The true costs and benefits have not been computed because they would need to take into account, not only the economic costs and benefits, but the social benefits derived from home, farm, or ranch ownership. It is very evident, however, that the program's client group has expanded.

H. Discussion of Program Revenue

Not applicable.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

PROGRAM ID:

HHL625

PROGRAM STRUCTURE NO. 060302

PROGRAM TITLE:

MGT & GEN SPPT FOR HAWAIIAN HOMESTEADS

| | | IN DOLLA | RS | | | | | | | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|--|
| PROGRAM EXPENDITURES | FY2007-08 | FY2008-09 | FY2009-10 | FY2010-11 | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 | | |
| | | | | j | • | | | | | |
| CURRENT LEASE PAYMENTS OTHER CURRENT EXPENSES | | 1,100,000 | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 | | |
| TOTAL CURRENT LEASE PAYMENTS C | | 1,100,000 | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 | | |
| | | | | | | | | | | |
| BY MEANS OF FINANCING SPECIAL FUND | | 1,100,000 | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 | | |
| | | | | | | | | | | |
| OPERATING COST PERSONAL SERVICES OTHER CURRENT EXPENSES | 64.00* 2,154,626 3,812,836 | 64.00* 5,004,763 2,225,382 | 64.00* 5,504,373 2,224,382 | 64.00* 5,504,373 2,224,382 | 64.0* 5,505 2,224 | 64.0* 5,505 2,224 | 64.0* 5,505 2,224 | 64.0× 5,505 2,224 | | |
| TOTAL OPERATING COST | 5,967,462 | 7,230,145 | 7,728,755 | 7,728,755 | 7,729 | 7,729 | 7,729 | 7,729 | | |
| | | | | i | | | | | | |
| BY MEANS OF FINANCING | | | | 1 | | | | | | |
| GENERAL FUND | 4.00* 490,104 | 4.00* 204,425 | * | * | * | * | * | * | | |
| SPECIAL FUND | 34.00* 3,768,232 26.00* | 34.00* 4,506,431 26.00* | 38.00* 5,048,153 26.00* | 38.00* 5,048,153 26.00* | 38.0* 5,048 26.0* | 38.0* 5,048 26.0* | 38.0* 5,048 | 38.0* 5,048 | | |
| TRUST FUNDS | 1,709,126 | 2,519,289 | 2,680,602 | 2,680,602 | 2,681 | 2,681 | 26.0* 2,681 | 26.0* 2,681 | | |
| TOTAL POSITIONS | 64.00* | 64.00* | 64.00* | 64.00* | 64.00* | 64.00* | 64.00* | 64.00* | | |
| TOTAL PROGRAM COST | 5,967,462 | 8,330,145 | 9,448,7 <i>5</i> 5 | 9,448,755 | 9,449 | 9,449 | 9,449 | 9,449 | | |

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID:
PROGRAM STRUCTURE:
PROGRAM TITLE:

HHL625
060302
MANAGEMENT AND GENERAL SUPPORT FOR HAWAIIAN HOMESTEADS

| | FY |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| MEASURES OF EFFECTIVENESS 1. % OF VENDOR PAYMENTS MADE WITHIN 30 DAYS 2. % OF DATA PROCESSING REQUESTS COMPLETED | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 84 |
| | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| PROGRAM TARGET GROUPS 1. NUMBER OF EMPLOYEES | 149 | 153 | 155 | 155 | 155 | 155 | 155 | 155 |
| PROGRAM ACTIVITIES 1. NUMBER OF PURCHASE ORDERS PROCESSED 2. NUMBER OF PCARD TRANSACTIONS PROCESSED 3. NUMBER OF DATA PROCESSING REQUESTS RECEIVED | 1167 | 1167 | 1165 | 1165 | 1165 | 1165 | 1165 | 1165 |
| | 787 | 787 | 790 | 790 | 790 | 790 | 790 | 790 |
| | 53 | 55 | 55 | 55 | 55 | 55 | 55 | 55 |

A. Statement of Program Objectives

To develop and manage the designated Hawaiian Home Lands to create more homesteads for native Hawaiians (as defined by the Hawaiian Homes Commission Act, 1920, as amended) and generate the revenues needed to administer the program. Through the use of these revenues, leased lands, loan funds and technical assistance will be provided to native Hawaiians.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The Department did not propose any new programs.

C. <u>Description of Activities Performed</u>

Major activities include:

- 1. Providing for over-all program direction and administrative services including but not limited to, accounting and financial management, fiscal services.
- 2. Other administrative services also include: Legal counsel, public information, personnel, budgeting, program evaluation, human resources management and other support activities.

D. Statement of Key Policies Pursued

Planning and implementation of program activities are focused on the following:

- 1. Effective management of the trust's land, water and related resources.
- 2. Effective development and management of financial resources.
- 3. Effective management of the department's human resources.

4. Establishment of better relationships with the native Hawaiian community, governmental agencies, individual homestead communities, and the community at large.

E. <u>Identification of Important Program Relationships</u>

The United States has oversight responsibility to ensure the HHCA is properly administered. The U.S. Department of the Interior serves as the lead agency in DHHL's interactions with the Federal Government.

DHHL maintains working relationships with Federal, State and County agencies involved in land use, land development, water resources development and utilization, housing, agricultural development and financial assistance. Federal agencies include the U.S. Department of Housing and Urban Development, Federal Housing Administration, and U.S. Department of Agriculture. State agencies include the Department of Transportation, the University of Hawaii Extension Service, Department of Health, and Office of the State Planning, Housing and Community Development Corporation of Hawaii. DHHL works closely with all four County governments.

DHHL maintains working relationships with other public and private organizations serving native Hawaiians, including, but not limited to, the Office of Hawaiian Affairs, Alu Like, Inc., Bishop Estate and Kamehameha Schools, the Liliuokalani Trust and various Hawaiian homestead community associations.

F. Description of Major External Trends Affecting the Program

1. In the 80 years since the Hawaiian Homes Commission Act was enacted, only a relatively small proportion of native Hawaiians have been put on the land. The major obstacles have been first, the kind of lands set aside for the homesteading program, much of which are marginal lands in remote areas that are costly to develop, and secondly, the lack of sufficient funding for infrastructure development.

2. With the transfer of 17,478 acres of new lands into DHHL's land inventory and the passage of the Hawaiian Home Lands Settlement Act, there is a pressing need to develop infrastructure and homes for new homestead areas to enable new lessees to reside on the land. In 1984 The Department of Hawaiian Home Lands (DHHL) undertook a major initiative to accelerate the distribution of homestead leases. During a three-year period, over 2,500 new lots were leased to native Hawaiians, including 2,000 unimproved lots. Much of the department's efforts in recent years have been focused in providing infrastructure for these raw land distributions.

DHHL is cognizant that accelerating its homesteading construction program at a time when the federal, state and county governments are facing severe financial shortages requires innovative ways to provide affordable housing.

DHHL estimates that more than \$2 billion is needed to address the housing needs of the 19,647 residential applicants on the waiting list. To achieve its capital goals, the department has pursued leveraging its resources though joint ventures with other organizations servicing native Hawaiians and supporting and fostering community partnerships through programs such as the self-help housing program.

A beneficiary survey conducted in 1995 created an index of financial readiness to move to homestead land. It became apparent that there existed a large group of applicants who don't financially qualify for homeownership. Rental and rent-to-own housing, coupled with federal tax incentive and housing programs, provide a viable option in addressing applicants housing needs and will allow native Hawaiian families to transition from being renters in to homeowners.

The lack of funding at sufficient levels requires the Department to consider alternatives such as having beneficiaries share in the cost of developing homestead lots and the use of developer agreements to build affordable housing for beneficiaries.

The American Homeownership and Economic Opportunity Act of 2000, Public Law 106-569, will enable subsidized affordable housing programs targeted to those Native Hawaiian families demonstrating the greatest need. One-half of homestead applicants

fell below the 80 percent median family income level, an indicator of the need for federal intervention and support.

G. Discussion of Cost, Effectiveness, and Program Size Data

The cost of developing a residential homestead lot ranges between \$100,000 to \$150,000 per lot, depending on lot size and off-site improvements. For Fiscal Year 2008, approximately \$9.105 million in operating costs were expended to serve 33,801 clients (9,539 lessees and 24,262 applicants), averaging \$310 per client. The true costs and benefits have not been computed because they would need to take into account, not only the economic costs and benefits, but the social benefits derived from home, farm, or ranch ownership. It is very evident, however, that the program's client group has expanded.

H. Discussion of Program Revenue

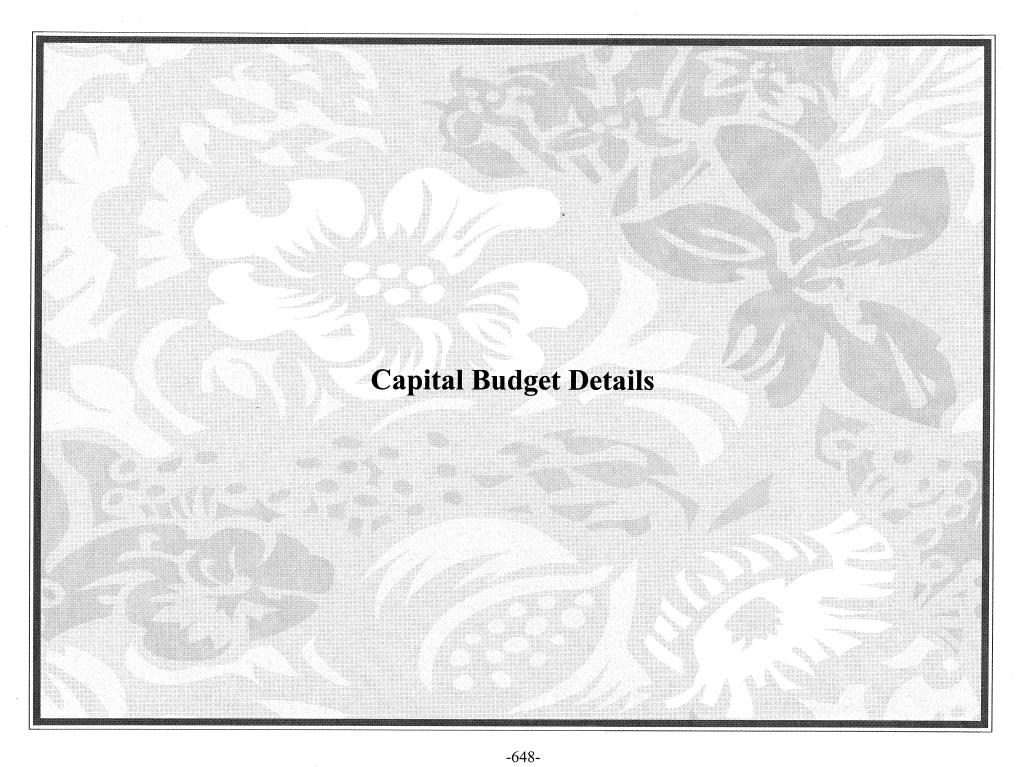
Not applicable.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.



PROGRAM TITLE

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78 PAGE 88

PROGRAM ID

HHL-602

PROGRAM STRUCTURE NO. 060301

PLANNING & DEV FOR HAWAIIAN HOMESTEADS

| PROJECT PRIORITY NUMBER NUMBER | LOC SCOPE | PROJECT TITLE | | | | BUDGET P | ERTOR | | | | | |
|-----------------------------------|---------------------------------|---|--------------|---------------|------------------|------------------|------------------|------------------|------------------|------------------|--|------------------|
| NOMBER NOMBER | COST ELEMENT/MOF | PROJECT TOTAL | PRIOR YRS | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | SUCCEED YEARS |
| DD001 | NEM | HAWAIIAN HOME | LANDS DEVEL | OPMENT, STAT | EMIDE | | | | | | | |
| | PLANS DESIGN CONSTRUCTION | 1 1 99,998 | : ', | | 1 1 99,998 | | | | | | | |
| | TOTAL | 100,000 | | , | 100,000 | | | | | | | |
| | REVENUE BONDS | 100,000 | | | 100,000 | | | | | | | |
| 70044 | NEM | LAIOPUA 2020, | HAWAII | | | | | | | | بالمواودة والما والما والما الماء الماء الماء والماء الماء | |
| | DESIGN CONSTRUCTION | 2 373 | | 1 124 | 1 249 | | | | | | | |
| | TOTAL | 375 | | 125 | 250 | | | | | | | |
| | G.O. BONDS | 375 | | 125 | 250 | | | | | | | |
| 70045 | NEW | NANAKULI HAWAIIAN HOMESTEAD COMMUNITY ASSOCIATION, OAHU | | | | | | | | | | |
| | PLANS DESIGN CONSTRUCTION | 2 2 546 | | 1 1 248 | 1 1 298 | | | | | | ^ | |
| | TOTAL | 550 | | 250 | 300 | | | | | | | |
| | G.O. BONDS | 550 | | 250 | 300 | | | | | | | |
| BA001 1 | NEM | NAHASDA DEVELO | PMENT PROJEC | CTS, STATEWI | DE | | | | | | | |
| | PLANS DESIGN CONSTRUCTION | 7 7 104,986 | | | | 1 1 14,998 | 1 1 14,998 | 1 1 14,998 | 1 1 14,998 | 1 1 14,998 | 1 1 14,998 | 1 1 14,998 |
| | TOTAL | 105,000 | | | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| | OTHER FED. FUN | 105,000 | | | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78 PAGE 89

PROGRAM ID

HHL-602

PROGRAM STRUCTURE NO. 060301 PROGRAM TITLE

PLANNING & DEV FOR HAWAIIAN HOMESTEADS

| PROJECT Number | PRIORITY NUMBER | COST ELEMENT/MOF | PROJECT TITLE | | | | BUDGET P | ERTOD | | | | | |
|-------------------|--------------------|---|------------------------------|-------------------|-------------|----------------|----------------------|----------------------|-------------|-------------|--|---|------------------|
| | HUMBEK | | PROJECT Total | PRIOR YRS | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | SUCCEED YEARS |
| 3A002 | 2 | NEM | WATER SOURCE D | EVELOPMENT | FOR STATE | HOUSING | PROJECTS IN | THE VILLAGE | S OF LEIALI | I, MAUI | | | |
| | | DESIGN CONSTRUCTION EQUIPMENT | 800 3,000 1,000 | | | | 300 2,000 200 | 500 1,000 800 | | | | | |
| | | TOTAL | 4,800 | | | | 2,500 | 2,300 | | | | | |
| | | G.O. BONDS | 4,800 | | | | 2,500 | 2,300 | | | | | |
| A003 | 3 | NEM | WATER SYSTEM I | MPROVEMENTS | , LALAMILO, | . WAIMEA, | HAWAII | | | | | man alam man kapa man pada angal atau pada pada kan | |
| | | CONSTRUCTION | 6,200 | | | | 6,200 | | | | | | |
| | | TOTAL | 6,200 | | | | 6,200 | | | | | | |
| | | G.O. BONDS | 6,200 | | | | 6,200 | | | | | | |
| | | | PROGRAM TOTALS | | | | | | | | ann ann agus tan ann ann ann ann ann ann ann ann ann | | |
| | | PLANS LAND | 12 1 | 2 1 | 1 | 2 | 1 , | 1 | 1 | 1 | 1 | 1 | , , |
| | | DESIGN CONSTRUCTION EQUIPMENT | 939 219,772 1,001 | 127 4,669 1 | 2 372 | 3 100,545 | 301 23,198 200 | 501 15,998 800 | 1 14,998 | 1 14,998 | 1 14,998 | 1 14,998 | 1 14,998 |
| | | TOTAL | 221,725 | 4,800 | 375 | 100,550 | 23,700 | 17,300 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| | | G.O. BONDS OTHER FED. FUN REVENUE BONDS | 16,725 105,000 100,000 | 4,800 | 375 | 550 100,000 | 8,700 15,000 | 2,300 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |